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April 04, 2013

VIA ECFS

Ms. Marlene H. Dortch, Secretary Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

RE: WC Docket No. 09-197; U-Phone, LLC Petition for Limited Designation as an Eligible Telecommunications Carrier in Texas

Dear Ms. Dortch:

On behalf of U-Phone, LLC ("U-Phone"), please find the attached Petition for Limited Designation as an Eligible Telecommunications Carrier in Texas. This filing is being submitted electronically for inclusion in the public record of the above-referenced proceeding.

If you have any questions or concerns about this filing, please contact me at any time.

Respectfully,

Matthew A. Henry *Counsel for U-Phone, LLC.*

Enclosure

cc: Michelle Schaefer, Telecommunications Access Policy Division

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of

Telecommunications Carriers Eligible to Receive Universal Service Support

U-Phone, LLC

WC Docket No. 09-197

Petition for Limited Designation as An Eligible Telecommunications Carrier in Texas

U-PHONE, LLC PETITION FOR LIMITED DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN TEXAS

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SUMMARY

U-Phone, LLC ("U-Phone") seeks designation as an eligible telecommunications carrier ("ETC"), pursuant to Section 214(e)(6) of the Communications Act of 1934, as Amended ("the Act") and the Federal Communications Commission's ("Commission") rules, for the limited purpose of providing wireless services supported by the Universal Service Fund's Lifeline program in the State of Texas. Section 214(e)(6) permits the Commission to grant ETC designation in those states that have affirmatively stated an ETC petitioner is not subject to state jurisdiction. The Public Utility Commission of Texas ("PUCT") has recently stated that it lacks jurisdiction over wireless service providers and, consequently, Commission review and approval of U-Phone's Petition is warranted.

U-Phone satisfies all of the requirements for designation as an ETC and U-Phone is committed to complying with all of the Commission's rules and requirements for ETCs providing Lifeline services. Grant of ETC status will be in the public interest as U-Phone's provision of Lifeline-supported services will further the Commission's goals for the Lifeline program by increasing the service options available to low-income consumers. Further, U-Phone's prepaid wireless services will provide an important source of high-quality mobile service. Low-income consumers will benefit from a stable means of communications when traditional services are unavailable. Additionally, the prepaid nature of U-Phone's services permit consumers to anticipate and control their communications costs. U-Phone will ask all Lifeline applicants whether they or anyone in their household is already receiving Lifeline service from any other provider, including from one of the other major Lifeline providers in the state. Further, only U-Phone employees will be responsible for overseeing and finalizing every Lifeline enrollment.

U-Phone's Lifeline service includes a generous offering of 250 free monthly minutes that are an invaluable resource for budget-conscious consumers and features such as voicemail, call waiting and caller ID that are critical to those seeking employment. U-Phone will also provide Lifeline customers with a free smartphone device, as well as 250 free text messages and 150 megabytes ("MB") of free data each month. U-Phone's smartphones will also come pre-installed with software applications that facilitate voice over IP ("VoIP") calls and Internet text messaging, which can be used with either the customer's monthly data allowance or in an unlimited fashion when connected to a WiFi Internet connection. U-Phone's free Lifeline plan more realistically reflects the way Americans use their cell phones today than many other wireless Lifeline plans the Commission has granted.

U-Phone's Lifeline services are distinctive from other ETCs in that they include more than just a basic non-smartphone device with a small number of monthly minutes and are therefore uniquely beneficial to the public interest. Designation of U-Phone as an ETC will provide consumers with a valuable alternative for obtaining telephone service and this competition should spur other service providers to improve their service offerings to low-income consumers.

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U-PHONE, LLC PETITION FOR LIMITED DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN TEXAS

I. INTRODUCTION

Pursuant to Section 214(e)(6) of the Communications Act of 1934 ("the Act") and Section 54.201 of the rules of the Federal Communications Commission ("the Commission"), U-Phone, LLC ("U-Phone") hereby respectfully requests limited designation as an eligible telecommunications carrier ("ETC") in the State of Texas. U-Phone seeks ETC designation in Texas only for the purpose of participation in the Universal Service Fund's ("USF") Lifeline program and does *not* seek to participate in the High-Cost program.

Because the Public Utility Commission of Texas ("PUCT") lacks jurisdiction to consider U-Phone's request for designation as an ETC, the Commission, under Section 214(e)(6) of the Act, has the necessary jurisdictional authority to grant this request.² U-Phone satisfies the

¹ See 47 U.S.C. § 214(e)(6) and 47 C.F.R. § 54.201.

² 47 U.S.C. § 214(e)(6) ("In the case of a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission, the Commission shall upon request designate

requirements for designation as an ETC in Texas and will offer all of the services and functionalities supported by the universal service program throughout its designated service area. Grant of U-Phone's petition will promote the public interest by providing low-income Texans with high-quality and innovative wireless services.

II. BACKGROUND

A. U-Phone Overview

U-Phone has contracted with Sprint to provide prepaid wireless telecommunications services to consumers. Sprint is a nationwide carrier that provides wholesale capacity on its wireless network to wireless resellers like U-Phone. Pursuant to an existing Mobile Virtual Network Operator ("MVNO") agreement, U-Phone obtains from Sprint the network infrastructure and wireless transmission facilities that allow U-Phone to operate as a wireless reseller, in the same fashion as TracFone and Virgin Mobile, both of whom have received ETC designation from the Commission and offer Lifeline plans with fewer functionalities.³ Once granted its ETC designation, U-Phone will bundle voice, data, and text services with approved U-Phone smartphone handsets, mobile applications, ETC certification materials, compliant marketing materials, a user-friendly web interface, and reliable customer support to provide services to Lifeline-qualifying customers.

Prepaid wireless services that are easy to use are important for low-income consumers, providing them with access to emergency services and a reliable means of communication that can be used both at home and while traveling. By providing wireless plans and high-quality

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such a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the Commission consistent with applicable Federal and State law.").

³ See Federal-State Joint Board on Universal Service, TracFone Wireless, Inc. Petitions in the States of Alabama, Connecticut, Delaware, Florida, North Carolina, New Hampshire, New York, North Carolina, Pennsylvania, Tennessee, Virginia, and Washington D.C, CC Docket No. 96-45, Order, 23 FCC Rcd 6206 (2008) ("TracFone ETC Order") and Petition of Virgin Mobile USA, L.P. for Forbearance from 47 U.C.S. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i), CC Docket No. 96-45, Order, 24 FCC Rcd 3381 (2009) ("Virgin Mobile Order").

customer service to consumers who are otherwise unable to afford them, or were previously neglected by traditional carriers, U-Phone will expand the availability of wireless services to many more consumers.

U-Phone will offer prepaid calling plans, along with a variety of additional features, such as full-feature smartphone handsets and high-quality customer service. Attached hereto as Exhibit A is a table of U-Phone's rate plans showing that U-Phone will provide Lifeline customers with 250 free voice minutes, 250 free text messages, 150MB free data, and a free smartphone handset. U-Phone's Lifeline customers will also have access to additional features at no charge, including voicemail, caller ID and call waiting services. U-Phone anticipates that as the marketplace changes it will modify minute and pricing plans, but will remain committed to offering its customers the most competitive and reliable service available.

Though U-Phone's Lifeline service offering will be the baseline plan for Lifeline customers, subscribers will have the option to apply the Lifeline discount toward another service plan offered by U-Phone. As demonstrated in Exhibit A, U-Phone's Lifeline service offerings will provide feature-rich mobile connectivity for qualifying subscribers at no cost, as well as an unlimited rate plan that compares favorably to those available to non-Lifeline and post-paid wireless subscribers. U-Phone's Lifeline offerings for qualifying customers will be an attractive alternative for those who need the mobility, functionality, and convenience of a wireless smartphone, but are unable to afford or qualify for a similar post-paid wireless subscription.

B. Lifeline Program

Universal service has been a fundamental component of national telecommunications policy since adoption of the Act 79 years ago. Section 254 of the Act describes the Commission's commitment to the concept of universal service, particularly for low-income

consumers. Additionally, Section 254(b) sets forth the principles upon which the Commission shall base its policies for the promotion and advancement of universal service. These principles require the Commission to ensure that all consumers, including low-income consumers, have access to telecommunications services at affordable and reasonably comparable rates.⁴ The Lifeline program helps defray the monthly costs of telecommunications services for lower-income consumers by providing them with discounts off the monthly cost of telephone service.

While generally praising the low-income program's success, the Commission has noted that "there is more that we can do to make telephone service affordable for more low-income households," and has specifically targeted the low Lifeline participation rate as one area for improvement. Commission concerns regarding the underutilization of the Lifeline program have existed since its inception. According to the most recent estimates issued by the USAC, only six states had more than 50 percent of eligible low-income households subscribe to the program, while almost half the states had a participation rate of less than 20 percent. To increase awareness of the program, the Commission has expanded the qualifying criteria and adopted broader outreach guidelines that require carriers to improve the effectiveness of their Lifeline advertising. Through these actions, the Commission has sought to increase Lifeline participation because improved participation in the Lifeline program "would increase telephone subscribership and/or make rates more affordable for low-income households."

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⁴ See 47 U.S.C. § 254(b)(3).

⁵ See *In the Matter of Lifeline and Link-Up*, WC Docket No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 8302, 8305 (2004) ("*Lifeline Order*").

⁶ This information is available at: http://www.usac.org/li/about/getting-started/participation-rate.aspx (last visited Apr. 04, 2013).

⁷ *Lifeline Order*, 19 FCC Rcd at 8312 (2004).

III. COMMISSION AUTHORITY OVER ETC DESIGNATION

Section 214(e)(6) of the Act authorizes the Commission to designate as an ETC "a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a state commission." The Commission has established that a carrier must demonstrate that it "is not subject to the jurisdiction of a state commission" before it may consider an application for ETC designation. The Commission additionally requires that any carrier petitioning for designation as an ETC must provide an "affirmative statement" from the relevant state commission that it lacks jurisdiction to perform the ETC designation.

The PUCT has concluded that it "will no longer process any new eligible telecommunications carrier (ETC) applications or any applications for an amendment to an existing ETC designation submitted by wireless resellers." A copy of the PUCT order disclaiming jurisdiction over wireless resale ETC applications is attached as Exhibit B. Therefore, U-Phone respectfully requests that the Commission exercise its authority under 47 U.S.C. § 214(e)(6) and determine that U-Phone is "a common carrier providing telephone exchange service and exchange access that is not subject to jurisdiction of a State commission[.]" Accordingly, the Commission is authorized to designate U-Phone as an ETC.

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⁸ 47 C.F.R. § 214(e)(6).

⁹ See Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act, CC Docket No. 96-45, Public Notice, 12 FCC Rcd 22947, 22948 (1997).

¹⁰ See Federal-State Joint Board on Universal Service; Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas, CC Docket No. 96-45, Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking, 15 FCC Rcd 12208, 12264 (2000).

¹¹ See Letter Brian H. Lloyd, Executive Director, Public Utility Commission of Texas to Marlene H. Dortch, Secretary, Federal Communications Commission; *Processing of Eligible Telecommunications Carrier Applications Summited by Wireless Resellers in Texas*; PUCT Docket No. 40528 (December 17, 2012).

¹² 47 U.S.C. § 214(e)(6).

IV. U-PHONE MEETS THE COMMISSION'S REQUIREMENTS FOR ETC DESIGNATION

Section 214(e)(1) of the Act and § 54.201(d) of the Commission's rules provide that applicants for ETC designation must be common carriers and that they offer all of the services supported by the universal service program either through using the own facilities or a combination of their own facilities, and the resale of another carrier's services. Additionally, applicants must commit to advertising the availability and rates of such services. The following details demonstrate how U-Phone satisfies each of these requirements.

A. U-Phone is a Common Carrier

CMRS resellers like U-Phone are treated as common carriers for regulatory purposes.¹³ In addition, § 332(c)(1)(A) of the Act states that CMRS providers will be regulated as common carriers.¹⁴ U-Phone provides CMRS telecommunications services and, accordingly, is a common carrier.

B. U-Phone Will Provide Lifeline-Eligible Services by Reselling the Services of Sprint

Section 214(e)(1)(A) of the Act states that an ETC must provide services "using its own facilities or a combination of its own facilities and resale of another carrier's services."¹⁵ The Commission's recent order reforming the Lifeline program granted blanket forbearance from this requirement for all ETC petitioners seeking limited ETC designation to participate in the Lifeline program.¹⁶ The Commission conditioned blanket forbearance on a petitioner's compliance with

¹³ See In the Matter of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services, Second Report and Order, GN Docket No. 93-252, 9 FCC Rcd 1411, 1425 (1994) ("There is no indication in the statute or the legislative history that resellers are not 'mobile service' providers or exempt from the Section 332 regulatory classification, and we see no reason to establish such an exemption.").

¹⁴ 47 U.S.C. § 332(c)(1)(A).

¹⁵ 47 U.S.C. § 214(e)(1)(A).

¹⁶ In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training, Report and Order and

certain ETC obligations, including providing 911 and E911 service regardless of activation status and prepaid minutes available, and providing E911-compliant handsets and replacing non-compliant handsets at no charge to the customer. Additionally, petitioners are required to file, and have approved, a compliance plan which includes specific information about the petitioner's service offerings and outlines the measures the petitioner will take to implement the obligations established in the *Lifeline Reform Order* as well as other measures to prevent waste, fraud and abuse that the Commission may deem necessary. U-Phone commits to complying with these conditions and is consequently not required to meet the own facilities requirement of 47 U.S.C. § 214(e)(1)(A).

C. U-Phone Offers All of the Required Services and Functionalities

Through its wholesale arrangement with Sprint, U-Phone is able to provide all of the services and functionalities supported by the universal service program under § 54.101 of the Commission's rules.

1. Voice-Grade Access to the Public Switched Network

U-Phone provides voice-grade access to the public switched telephone network through the purchase of wholesale CMRS services from Sprint. Bandwidth for this voice-grade access is, at a minimum, between 300 and 3,000 MHz, as required by the Commission's rules.¹⁹

2. Local Usage

As part of the voice-grade access to the public switched network, an ETC must provide minutes of use for local service provided at no additional charge to customers. The Commission has determined that a carrier satisfies the local usage requirements when it offers customers rate

Further Notice of Proposed Rulemaking, WC Docket No. 11-42, CC Docket No. 96-45, WC Docket No. 03-109, WC Docket No. 12-23, 27 FCC Rcd 6656, 6813 (2012) ("Lifeline Reform Order") at ¶ 368.

 18 *Id* at ¶ 368.

¹⁷ *Id* at ¶ 373.

¹⁹ 47 C.F.R. § 54.101(a)(1).

plans containing varying amounts of local usage. U-Phone's rate plans provide its customers with local usage capabilities in the form of limited and unlimited monthly plans offered on a prepaid basis.

3. **Access to Emergency Services**

U-Phone's Lifeline customers can place 911 and E911 emergency calls with U-Phone's service from their E911 capable handsets. U-Phone is capable of delivering automatic numbering information ("ANI") and automatic location information ("ALI") over Sprint's network, and otherwise satisfies all applicable state and federal E911 requirements. Additionally, 911 and E911 emergency services are available to U-Phone customers even when all of their minutes have expired or their handset is currently inactive.

4. **Toll Limitation for Qualifying Low-Income Consumers**

Toll limitation allows customers to block the completion of outgoing long distance calls to prevent them from incurring significant long distance charges and risking disconnection. U-Phone provides its wireless service on a prepaid basis and minutes are not charged separately for local or domestic long distance services. Pursuant to the Lifeline Reform Order, customers to such services are not considered to have voluntarily elected to receive toll limitation service.²⁰

D. **Advertising of Supported Services**

U-Phone will advertise the availability and rates for the services described herein using media of general distribution, as required by Section 54.201(d)(2) of the Commission's rules.²¹ U-Phone will advertise its services in a manner designed to reach those likely to qualify for Lifeline services, including advertisements via television, newspapers, direct mail, event representation, radio, and the Internet. U-Phone will supplement these methods of

 $^{^{20}}$ See Lifeline Reform Order at \P 230. 21 See 47 C.F.R. \S 54.201(d)(2).

communication to specifically advertise and promote the availability of its Lifeline service offerings to qualifying customers throughout Texas. A list of the study areas for which U-Phone seeks designation is attached hereto as Exhibit C.

E. A Five-year Plan is not Required for this Petition

Because U-Phone seeks ETC designation solely to provide Lifeline service under Subpart E of Part 54 of the Commission's rules, a five-year plan and the resulting updates are not applicable to this petition for ETC designation.²²

F. **U-Phone is Able to Remain Functional in Emergency Situations**

U-Phone resells the services of its underlying national wireless network carrier, Sprint. U-Phone relies on Sprint's ability to remain functional in emergency situations, including the ability to ensure functionality without an external power source by maintaining a reasonable amount of back-up power; reroute traffic around damaged facilities; and manage traffic spikes resulting from emergency situations. U-Phone's reliance on Sprint's nationwide network demonstrates its ability to remain functional in emergency situations.²³

G. **U-Phone is Committed to Consumer Protection Service Quality Standards**

U-Phone commits to comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service.²⁴ U-Phone customers can call customer support by dialing 611 from their U-Phone handset or (800) 530-9424 from any phone and no minutes will be decremented for the call. Live customer service operators will be available every day, 24 hours per day.

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See 47 C.F.R. § 54.202(a)(1)(ii).
 See 47 C.F.R. § 54.202(a)(2).
 See 47 C.F.R. § 54.202(a)(3).

H. U-Phone is Financially and Technically Capable

U-Phone is financially and technically capable of providing Lifeline service. The Compliance Plan submitted concurrently with this Petition contains a demonstration of U-Phone's financial and technical capabilities.

I. Geographic Service Area

U-Phone requests ETC designation throughout its entire service area in Texas.

J. Terms and Conditions of U-Phone's Service Plans

U-Phone's basic Lifeline service plan will provide customers in Texas with an E911-compliant smartphone handset, 250 anytime voice minutes, 250 text messages, and 150MB of data per month, at no charge. In addition, U-Phone affords qualified Lifeline customers the option of applying the Lifeline discount to any of U-Phone's service offerings. Lifeline customers can purchase additional bundles of minutes, texts and data, which are available in 180 day increments. These service plans will be available for purchase at U-Phone's retail locations and on its website.

In order to ensure that providing free smartphones is a financially-viable practice for U-Phone, Lifeline subscribers will contractually agree to return their free smartphones if they deenroll from U-Phone's Lifeline service, either voluntarily or for non-eligibility, within one year of service activation. Alternatively, such subscribers can purchase their smartphone from U-Phone for \$49.95 upon de-enrollment and keep the device. Subscribers that de-enroll over one year after receiving their free smartphone will not be required to return or purchase their device. This will ensure that U-Phone can continue to offer advanced and expensive smartphone handsets to Lifeline subscribers for free, even if some subscribers de-enroll shortly after service activation.

If the customer already owns a smartphone that is compatible with U-Phone's network, such equipment can be utilized with these enhanced service offerings, provided it meets U-Phone's minimum specifications with respect to 911/E911 compliance. Customers can also subscribe to U-Phone's services with a non-smartphone device that they already own, provided the device is compatible with U-Phone's network and meets the minimum specifications for 911/E911 compliance, however monthly data usage will be unavailable to such customers.

<u>U-Phone's service plan offerings are as follows:</u>

- 30-Day Baseline Plan 250 minutes, up to 250 text messages and 150MB data for \$14.95
 (free for Lifeline-eligible subscribers)
- 30-Day Unlimited Plan Unlimited Talk, Text and Data for \$39.95

<u>U-Phone's replenishment offerings are as follows:</u>

- 100 Voice Minutes Replenishment Increment \$5.00
- 200 Text Messages Replenishment Increment \$5.00
- 100MB Data Replenishment Increment \$5.00

In addition to free talk, text and data services, U-Phone's Lifeline plans will include custom calling features at no charge, including caller ID, call waiting, call forwarding, three-way calling, and voicemail. All plans include domestic long-distance at no extra per minute charge. Calls to customer support and 911 emergency services are always free, regardless of service activation or availability of minutes.

K. Additional ETC Obligations

U-Phone has implemented processes to meet the Commission's current requirements regarding certification and verification of a customer's qualification for Lifeline service. As described in U-Phone's Compliance Plan, U-Phone commits to following comprehensive

procedures to address customer certification and verification requirements, as well as requirements addressing de-enrollment and duplication of service. These procedures comply with the Commission's revised customer certification and verification requirements.²⁵ U-Phone will also comply with the annual re-certifications and reporting requirements and the Commission's measures to prevent waste, fraud and abuse of Lifeline services. ²⁶ In Texas, a single administrator, Solix, Inc. ("Solix"), has been designated to determine consumers' eligibility for Lifeline service. Whenever possible, U-Phone will rely on Solix's initial eligibility and subsequent verification of a consumer's eligibility for participation in the Lifeline program.

In addition, as part of U-Phone's enrollment process in Texas, U-Phone personnel will inform each Lifeline applicant that he or she may already be receiving Lifeline support under U-Phone personnel will facilitate the applicant's understanding of what another name. constitutes Lifeline-supported services, and determine whether he or she is already benefiting from Lifeline support, by inquiring of each customer whether they are receiving Lifeline service from one of the other major Lifeline providers in Texas (e.g., SafeLink Wireless, Assurance Wireless).

The Commission determined in the *Lifeline Reform Order* that ETCs may permit agents or representatives to review documentation of consumer program eligibility for Lifeline because "the Commission has consistently found that '[l]icensees and other Commission regulatees are responsible for the acts and omissions of their employees and independent contractors.""27 Because U-Phone is responsible for the actions of all of its employees and agents, a U-Phone employee will be responsible for overseeing and finalizing every Lifeline enrollment prior to

 ²⁵ See 47 C.F.R. § 54.410.
 ²⁶ See 47 C.F.R. §§ 54.416 and 54.422.

²⁷ Lifeline Reform Order at ¶ 110.

including that customer on an FCC Form 497 for reimbursement. U-Phone will always deal directly with its customers to certify and verify the customer's Lifeline eligibility.

Finally, U-Phone does not collect service deposits for its plans and does not charge a number-portability fee, and will not do either for Lifeline accounts.²⁸ U-Phone will timely pay all applicable federal, state, and local regulatory fees, including universal service and E911 fees.

V. DESIGNATION OF U-PHONE AS AN ETC WOULD PROMOTE THE PUBLIC **INTEREST**

A principal goal of the Act is "to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies."29 Limited designation of U-Phone as an ETC in Texas will further this goal and promote the public interest by providing low-income Texans with more affordable high-quality wireless services. ETC designation will enable U-Phone to expand the availability of affordable telecommunications services to qualifying consumers, leading to "increased consumer choice, high-quality service offerings, and mobility." ³⁰

The instant request for limited ETC designation of U-Phone must be reviewed in reference to the Act's goal of providing low-income Americans with access to telecommunications services. The primary purpose of universal service is to ensure that consumers, particularly low-income consumers, receive affordable and comparable telecommunications services. With this purpose in mind, designating U-Phone as an ETC would significantly benefit low-income consumers in Texas that are eligible for Lifeline services.

Most importantly, U-Phone's Lifeline service will provide low-income consumers with all the benefits, convenience, and security offered by wireless services. ETC designation in

 ²⁸ See 47 C.F.R. § 54.401(c) and (e).
 ²⁹ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56.

³⁰ In re Virgin Mobile USA, L.P., 24 FCC Rcd 3381, 3395 (2009).

Texas would enable U-Phone to offer appealing and affordable service offerings to low income customers to ensure that they are able to use wireless services on a consistent and uninterrupted basis. Prepaid wireless services have become essential for low-income consumers because they provide mobile access to emergency services, and a reliable means of contact for prospective employers, social service agencies, or dependents. Granting U-Phone the authority necessary to offer discounted Lifeline services to those most in need of critical wireless service undoubtedly promotes the public interest.

A. The advantages of U-Phone's Service Offering

The public interest benefits of U-Phone's wireless service include larger local calling areas (as compared to traditional wireline carriers), the convenience and security afforded by mobile service; the opportunity for customers to control cost by receiving a preset amount of monthly voice minutes, text messaging, and data at no charge; the ability to purchase additional usage at flexible and affordable amounts; 911 service; and, where available, E911 service in accordance with current FCC requirements.

U-Phone's Lifeline rate plans will not only allow feature-rich mobile connectivity for qualifying subscribers, but also will bring smartphones with realistic rate plans into the reach of Lifeline customers without the impediments of credit checks, contracts, or activation fees. This benefit of prepaid service allows low-income consumers to budget only what they can afford for essential wireless services.

U-Phone's proposed Lifeline offerings compare very favorably with those of other wireless ETCs, but will also offer low-income Texans a variety of further useful options. For example, 250 free minutes of monthly voice service is comparable to the Lifeline services offered by other wireless resellers recently designated as ETCs by the Commission. In addition

to this bucket of voice minutes, U-Phone will also provide its Lifeline customers with 250 free text messages each month, a free smartphone handset, and 150MB of free data usage each month. U-Phone's free Lifeline service offering provides more features and functionalities than any other Lifeline-only wireless ETCs.

In addition to this basic plan, U-Phone's smartphones will come pre-installed with a software application that permits customers to make VoIP calls and perform Internet-based text messaging. This application significantly supplements the initial buckets of minutes and text messages. For example, should a U-Phone subscriber dedicate her 150MB of monthly data solely to VoIP calling, U-Phone estimates that she would add over 500 VoIP minutes to her initial 250 minutes of voice service. When connected to a WiFi Internet connection, she would have unlimited VoIP calling and text messaging through the U-Phone software application.

B. The Benefits of Competitive Choice

Consumers benefit from being able to choose from a variety of telecommunications service providers. This fact that has been acknowledged by the Commission for more than three decades.³¹ Designation of U-Phone as an ETC will promote competition, innovation, affordability. Other carriers will respond to increased competition by targeting low-income consumers with service offerings tailored to their needs and by improving their existing networks. Approval of this petition will help assure that quality services are available at "just, reasonable, and affordable rates[,]" as intended by the Act.³² Designation of U-Phone as an ETC would result in additional competitive choice for Lifeline-eligible consumers and ensure that all

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³² 47 U.S.C. § 254(b)(1).

³¹ See e.g., In the Matter of Commission Policies Governing the Licensing and Regulation of Specialized Common Carriers, 44 FCC.2d 467 (1973) ("By permitting the entry of specialized carriers, we would provide users with flexibility and a wider range of choices as to how they may best satisfy their expanding and changing requirements for specialized communication service (Notice, paragraph 30).").

low-income consumers in Texas share in the many benefits associated with access to wireless services.

C. The Impact on the Universal Service Fund

U-Phone's request for designation as an ETC solely for Lifeline purposes would not unduly burden the USF or otherwise reduce the amount of funding available to other ETCs. Limited ETC designation of U-Phone in Texas raises no concerns and any incremental increases in Lifeline expenditures are far outweighed by the significant public interest benefits of expanding availability of affordable wireless services to low-income consumers.

VI. ANTI-DRUG ABUSE CERTIFICATION

U-Phone certifies that no party to this Petition is subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

VII. CONCLUSION

For the foregoing reasons, approval of U-Phone's Petition for Limited Designation as an Eligible Telecommunications Carrier in Texas is in the public interest and is warranted in accordance with Section 214(e)(6) of the Act.

Respectfully submitted,

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Counsel for U-Phone, LLC

VIII. CERTIFICATION

I hereby certify that I have read the foregoing U-Phone, LLC's Petition for Limited Designation as an Eligible Telecommunications Carrier in Texas and that, to the best of my knowledge, information and belief, the information stated therein is true and correct.

U-Phone, LLC

By: Malin'
Title: PRESIDENT (C. 50

Date: 04/03/213

Exhibit A U-Phone Service Plans

U-Phone Service Plans Retail Price

Baseline Lifeline Plan

Free

Customers receive a free smartphone with 250 free voice minutes, 250 free text messages, and 150MB free data per month. In addition, customers receive free voicemail, call forwarding, call waiting, caller ID, and three-way calling.

Baseline Non-Lifeline Plan

\$14.95 per month

Customers receive a free smartphone with 250 free voice minutes, 250 free text messages, and 150MB free data per month. In addition, customers receive free voicemail, call forwarding, call waiting, caller ID, and three-way calling.

Unlimited Lifeline Plan

\$39.95 minus Lifeline discount per month

Customers receive a free smartphone with unlimited voice minutes, text messages, and data. In addition, customers receive free voicemail, call forwarding, call waiting, caller ID, and three-way calling.

Unlimited Non-Lifeline Plan

\$39.95 per month

Customers receive a free smartphone with unlimited voice minutes, text messages, and data. In addition, customers receive free voicemail, call forwarding, call waiting, caller ID, and three-way calling.

U-Phone Replenishment Increments

Retail Price

Voice Minutes:	100 minutes	\$5.00
Text Messaging:	200 text messages	\$5.00
Data:	100MB data	\$5.00

Replenishment minutes, text messages and data will expire after 180 days.

U-Phone Handset Devices*

Retail Price

U-Phone Smartphone

\$49.95

*Customers that do not purchase their handsets from U-Phone and instead receive a free smartphone as part of their service plan will be contractually bound to return their smartphone to U-Phone (or purchase it) if they de-enroll from their service within one year of activation. After one year of continuous service, customers that received a free smartphone will not be required to return or purchase their device upon de-enrollment. Customers will be permitted to activate service for their pre-owned handsets so long as such devices are compatible with U-Phone's network and are compliant with the FCC's rules.

Exhibit B PUCT Order

PROJECT NO. 40561

110,20-		2012 MOV 2.
RULEWAKING TO AMEND		PUBLIC UTILITY COMMISSION AM 11: 37
SUBSTANTIVE RULE 26.418 RELATING TO DESIGNATION OF COMMON	§ §	OF TEXAS
CARRIERS AS ELIGIBLE	§ 8	
TELECOMMUNICATIONS CARRIERS TO RECEIVE FEDERAL UNIVERSAL	8 8	
SERVICE FUNDS	§	

ORDER ADOPTING AMENDMENT TO §26.418 AS APPROVED AT THE NOVEMBER 16, 2012 OPEN MEETING

The Public Utility Commission of Texas (commission) adopts an amendment to §26.418, relating to Designation of Common Carriers as Eligible Telecommunications Carriers to Receive Federal Universal Service Funds, with no changes to the proposed text as published in the August 31, 2012, issue of the *Texas Register* (37 TexReg 6874). The amendment will exclude commercial mobile radio service (CMRS) resellers from eligibility for designation by the commission as an eligible telecommunications carrier (ETC). Instead, a CMRS reseller will be able to seek designation as an ETC by the Federal Communications Commission (FCC). Project Number 40561 is assigned to this proceeding.

The commission did not receive any comments on the proposed amendment.

The amendment is adopted under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (West 2007 and Supp. 2012) (PURA), which provides the commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction; and specifically §51.001, which provides that it is the policy of this state to promote diversity of telecommunications providers and interconnectivity; encourage a fully competitive

telecommunications marketplace; and maintain a wide availability of high quality interoperable, standards-based telecommunications services at affordable rates.

Cross Reference to Statutes: PURA §§14.002 and 51.001.

- §26.418. Designation of Common Carriers as Eligible Telecommunications Carriers to Receive Federal Universal Service Funds.
- (a) **Purpose.** This section provides the requirements for the commission to designate common carriers as eligible telecommunications carriers (ETCs) to receive support from the federal universal service fund (FUSF) pursuant to 47 United States Code (U.S.C.) §214(e) (relating to Provision of Universal Service). In addition, this section provides guidelines for rural and non-rural carriers to meet the federal requirements of annual certification for FUSF support criteria and, if requested or ordered, for the disaggregation of rural carriers' FUSF support.
- (b) Applicability. This section applies to a common carrier seeking designation as an ETC, except for commercial mobile radio service (CMRS) resellers. A CMRS reseller may not seek designation from the commission, but instead may seek designation as an ETC by the Federal Communications Commission (FCC). This section also applies to a common carrier that has been designated by the commission as an ETC, including a CMRS reseller.
- (c) **Service areas.** The commission may designate ETC service areas according to the following criteria.
 - Non-rural service area. To be eligible to receive federal universal service support in non-rural areas, a carrier must provide federally supported services pursuant to 47 Code of Federal Regulations (C.F.R.) §54.101 (relating to

- Supported Services for Rural, Insular, and High Cost Areas) throughout the area for which the carrier seeks to be designated an ETC.
- Rural service area. In the case of areas served by a rural telephone company, as defined in §26.404 of this title (relating to Small and Rural Incumbent Local Exchange Company (ILEC) Universal Service Plan), a carrier must provide federally supported services pursuant to 47 C.F.R. §54.101 throughout the study area of the rural telephone company in order to be eligible to receive federal universal service support.
- (d) Criteria for determination of ETCs. A common carrier shall be designated as eligible to receive federal universal service support if it:
 - offers the services that are supported by the federal universal service support mechanisms under 47 C.F.R. §54.101 either using its own facilities or a combination of its own facilities and resale of another carrier's services; and
 - (2) advertises the availability of and charges for such services using media of general distribution.
- (e) Criteria for determination of receipt of federal universal service support. In order to receive federal universal service support, a common carrier must:
 - (1) meet the requirements of subsection (d) of this section;
 - offer Lifeline Service to qualifying low-income consumers in compliance with 47
 C.F.R. Part 54, Subpart E (relating to Universal Service Support for Low-Income Consumers); and

offer toll limitation services in accordance with 47 C.F.R. §54.400 (relating to Terms and Definitions) and §54.401 (relating to Lifeline Defined).

(f) Designation of more than one ETC.

- (1) Non-rural service areas. In areas not served by rural telephone companies, as defined in §26.404 of this title, the commission shall designate, upon application, more than one ETC in a service area so long as each additional carrier meets the requirements of subsection (c)(1) of this section and subsection (d) of this section.
- (2) Rural service areas. In areas served by rural telephone companies, as defined in \$26.404 of this title, the commission may designate as an ETC a carrier that meets the requirements of subsection (c)(2) of this section and subsection (d) of this section if the commission finds that the designation is in the public interest.

(g) Proceedings to designate ETCs.

- (1) At any time, a common carrier may seek commission approval to be designated an ETC for a requested service area.
- (2) In order to receive support under this section for exchanges purchased from an unaffiliated carrier, the acquiring ETC shall file an application, within 30 days after the date of the purchase, to amend its ETC service area to include those geographic areas that are eligible for support.
- (3) If an ETC receiving support under this section sells an exchange to an unaffiliated carrier, it shall file an application, within 30 days after the date of the sale, to

amend its ETC designation to exclude from its designated service area those exchanges for which it was receiving support.

- (h) Application requirements and commission processing of applications.
 - (1) Requirements for notice and contents of application.
 - Notice of application. Notice shall be published in the Texas Register. (A) The presiding officer may require additional notice. Unless otherwise required by the presiding officer or by law, the notice shall include at a minimum a description of the service area for which the applicant seeks eligibility, the proposed effective date of the designation, and the following statement: "Persons who wish to comment on this application should notify the Public Utility Commission of Texas by (specified date, Requests for further ten days before the proposed effective date). information should be mailed to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326, or you may call the Public Utility Commission's Customer Protection Division at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136, or use Relay Texas (800) 735-2989 to reach the commission's toll free number (888) 782-8477."
 - (B) Contents of application for each common carrier seeking ETC designation.

 A common carrier that seeks to be designated as an ETC shall file with the commission an application complying with the requirements of this

section. In addition to copies required by other commission rules, one copy of the application shall be delivered to the commission's Regulatory Division and one copy shall be delivered to the Office of Public Utility Counsel. The application shall:

- show that the applicant offers each of the services that are supported by the FUSF support mechanisms under 47 U.S.C. §254(c) (relating to Universal Service) either using its own facilities or a combination of its own facilities and resale of another carrier's services throughout the service area for which it seeks designation as an ETC;
- show that the applicant assumes the obligation to offer each of the services that are supported by the FUSF support mechanisms under 47 U.S.C. §254(c) to any consumer in the service area for which it seeks designation as an ETC;
- (iii) show that the applicant advertises the availability of, and charges for, such services using media of general distribution;
- (iv) show the service area in which the applicant seeks designation as an ETC;
- (v) contain a statement detailing the method and content of the notice the applicant has provided or intends to provide to the public regarding the application and a brief statement explaining why the proposed notice is reasonable and in compliance with applicable law;

- (vi) contain a copy of the text of the notice;
- (vii) contain the proposed effective date of the designation; and
- (viii) contain any other information which the applicant wants considered in connection with the commission's review of its application.
- (C) Contents of application for each common carrier seeking ETC designation and receipt of federal universal service support. A common carrier that seeks to be designated as an ETC and receive federal universal service support shall file with the commission an application complying with the requirements of this section. In addition to copies required by other commission rules, one copy of the application shall be delivered to the commission staff and one copy shall be delivered to the Office of Public Utility Counsel. The application shall:
 - (i) comply with the requirements of subparagraph (B) of this paragraph;
 - (ii) show that the applicant offers Lifeline Service to qualifying low-income consumers in compliance with 47 C.F.R. Part 54, Subpart E; and
 - (iii) show that the applicant offers toll limitation services in accordance with 47 C.F.R. §54.400 and §54.401.

(2) Commission processing of application.

(A) Administrative review. An application considered under this section may be reviewed administratively unless the presiding officer, for good cause,

determines at any point during the review that the application should be docketed.

- (i) The effective date shall be no earlier than 30 days after the filing date of the application or 30 days after notice is completed, whichever is later.
- officer concludes that material deficiencies exist in the application, the applicant shall be notified within ten working days of the filing date of the specific deficiency in its application. The earliest possible effective date of the application shall be no less than 30 days after the filing of a sufficient application with substantially complete information as required by the presiding officer. Thereafter, any deadlines shall be determined from the 30th day after the filing of the sufficient application and information or from the effective date if the presiding officer extends that date.
- (iii) While the application is being administratively reviewed, the commission staff and the staff of the Office of Public Utility Counsel may submit requests for information to the telecommunications carrier. Three copies of all answers to such requests for information shall be provided to the commission staff and the Office of Public Utility Counsel within ten days after receipt of the request by the telecommunications carrier.

- (iv) No later than 20 days after the filing date of the application or the completion of notice, whichever is later, interested persons may provide the commission staff with written comments or recommendations concerning the application. The commission staff shall and the Office of Public Utility Counsel may file with the presiding officer written comments or recommendations regarding the application.
- (v) No later than 35 days after the proposed effective date of the application, the presiding officer shall issue an order approving, denying, or docketing the application.
- (B) Approval or denial of application.
 - (i) An application filed pursuant to paragraph (1)(B) of this subsection shall be approved by the presiding officer if the application meets the following requirements:
 - (I) the provision of service constitutes the services that are supported by the FUSF support mechanisms under 47 U.S.C. §254(c);
 - (II) the applicant will provide service using either its own facilities or a combination of its own facilities and resale of another carrier's services;
 - (III) the applicant advertises the availability of, and charges for, such services using media of general distribution;
 - (IV) notice was provided as required by this section;

- (V) the applicant satisfies the requirements contained in subsection (c) of this section; and
- (VI) if, in areas served by a rural telephone company, the ETC designation is consistent with the public interest.
- (ii) An application filed pursuant to paragraph (1)(C) of this subsection shall be approved by the presiding officer if the application meets the following requirements:
 - (I) the applicant has satisfied the requirements set forth in clause (i) of this subparagraph;
 - (II) the applicant offers Lifeline Service to qualifying low-income consumers in compliance with 47 C.F.R. Part 54, Subpart E; and
 - (III) the applicant offers toll limitation services in accordance with 47 C.F.R. §54.400 and §54.401.
- (C) Docketing. If, based on the administrative review, the presiding officer determines that one or more of the requirements have not been met, the presiding officer shall docket the application.
- (D) Review of the application after docketing. If the application is docketed, the effective date of the application shall be automatically suspended to a date 120 days after the applicant has filed all of its direct testimony and exhibits, or 155 days after the proposed effective date, whichever is later. Three copies of all answers to requests for information shall be filed with the commission within ten days after receipt of the request. Affected

persons may move to intervene in the docket, and a hearing on the merits shall be scheduled. A hearing on the merits shall be limited to issues of eligibility. The application shall be processed in accordance with the commission's rules applicable to docketed cases.

- (E) Waiver. In the event that an otherwise ETC requests additional time to complete the network upgrades needed to provide single-party service, access to enhanced 911 service, or toll limitation, the commission may grant a waiver of these service requirements upon a finding that exceptional circumstances prevent the carrier from providing single-party service, access to enhanced 911 service, or toll limitation. The period for the waiver shall not extend beyond the time that the commission deems necessary for that carrier to complete network upgrades to provide single-party service, access to enhanced 911 service, or toll limitation services.
- (i) Designation of ETC for unserved areas. If no common carrier will provide the services that are supported by federal universal service support mechanisms under 47 U.S.C. \$254(c) to an unserved community or any portion thereof that requests such service, the commission, with respect to intrastate services, shall determine which common carrier or carriers are best able to provide such service to the requesting unserved community or portion thereof and shall order such carrier or carriers to provide such service for that unserved community or portion thereof.

- (j) **Relinquishment of ETC designation.** A common carrier may seek to relinquish its ETC designation.
 - (1) Area served by more than one ETC. The commission shall permit a common carrier to relinquish its designation as an ETC in any area served by more than one ETC upon:
 - (A) written notification not less than 90 days prior to the proposed effective date that the common carrier seeks to relinquish its designation as an ETC;
 - (B) determination by the commission that the remaining eligible telecommunications carrier or carriers can offer federally supported services to the relinquishing carrier's customers; and
 - (C) determination by the commission that sufficient notice of relinquishment has been provided to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier or carriers.
 - (2) Area where the common carrier is the sole ETC. In areas where the common carrier is the only ETC, the commission may permit it to relinquish its ETC designation upon:
 - (A) written notification not less than 90 days prior to the proposed effective date that the common carrier seeks to relinquish its designation as an ETC; and
 - (B) commission designation of a new ETC for the service area or areas.

- (k) Rural and non-rural carriers' requirements for annual certification to receive FUSF support. A common carrier serving a rural or non-rural study area shall comply with the following requirements for annual certification for the receipt of FUSF support.
 - (1) Annual certification. Common carriers must provide the commission with an affidavit annually, on or before September 1st of each year, which certifies that the carrier is complying with the federal requirements for the receipt of FUSF support. Upon receipt and acceptance of the affidavits filed on or before September 1st each year, the commission will certify these carriers' eligibility for FUSF to the FCC and the Federal Universal Service Fund Administrator by October 1st each year.
 - (2) Failure to file. Common carriers failing to file an affidavit by September 1st may still be certified by the commission for annual FUSF. However, the carrier is ineligible for support until the quarter following the federal universal service administrator's receipt of the commission's supplemental submission of the carrier's compliance with the federal requirements.
 - (3) **Supplemental certification.** For carriers not subject to the annual certification process, the schedule set forth in 47 C.F.R. §54.313 and 47 C.F.R. §54.314(d) for the filing of supplemental certifications shall apply.
 - (4) Recommendation for Revocation of FUSF support certification. The commission may recommend the revocation of the FUSF support certification of any carrier that it determines has not complied with the federal requirements pursuant to 47 U.S.C. §254(e) and will review any challenge to a carrier's FUSF

support certification and make an appropriate recommendation as a result of any such review.

- (l) **Disaggregation of rural carriers' FUSF support.** Common carriers serving rural study areas must comply with the following requirements regarding disaggregation of FUSF support.
 - exchange carriers (ILECs) may notify the commission of one of the following elections regarding FUSF support. This election will remain in place for four years from the effective date of certification, pursuant to 47 C.F.R. §54.315, unless the commission, on its own motion, or upon the motion of the rural ILEC or an interested party, requires a change to the elected disaggregation plan:
 - (A) a rural ILEC may choose to certify to the commission that it will not disaggregate at this time;
 - (B) a rural ILEC may seek disaggregation of its FUSF support by filing a targeted plan with the commission that meets the criteria in paragraph (3) of this subsection, subject to the commission's approval of the plan;
 - (C) a rural ILEC may self-certify a disaggregation targeted plan that meets the criteria in paragraphs (3) and (4) of this subsection, disaggregate support to the wire center level or up to no more than two cost zones, or mirror a plan for disaggregation that has received prior commission approval; or
 - (D) if the rural ILEC serves a study area that is served by another carrier designated as an ETC prior to the effective date of 47 C.F.R. §54.315,

(June 19, 2001), the ILEC may only self-certify the disaggregation of its FUSF support by adopting a plan for disaggregation that has received prior commission approval.

- Abstain from filing. If a rural ILEC abstains from filing an election on or before May 15, 2002, the carrier will not be permitted to disaggregate its FUSF support unless it is ordered to do so by the commission pursuant to the terms of paragraph (5) of this subsection.
- Requirements for rural ILECs' disaggregation plans. Pursuant to the federal requirements in 47 C.F.R. §54.315(e) a rural ILEC's disaggregation plan, whether submitted pursuant to paragraph (1)(B), (C) or (D) of this subsection, must meet the following requirements:
 - (A) the sum of the disaggregated annual support must be equal to the study area's total annual FUSF support amount without disaggregation;
 - (B) the ratio of the per line FUSF support between disaggregation zones for each disaggregated category of FUSF support shall remain fixed over time, except as changes are required pursuant to paragraph (5) of this subsection;
 - (C) the ratio of per line FUSF support shall be publicly available;
 - (D) the per line FUSF support amount for each disaggregated zone or wire center shall be recalculated whenever the rural ILEC's total annual FUSF support amount changes and revised total per line FUSF support and updated access line counts shall then be applied using the changed FUSF support amount and updated access line counts applicable at that point;

- (E) each support category complies with subparagraphs (A) and (B) of this paragraph;
- (F) monthly payments of FUSF support shall be based upon the annual amount of FUSF support divided by 12 months if the rural ILEC's study area does not contain a competitive carrier designated as an ETC; and
- (G) a rural ILEC's disaggregation plan methodology and the underlying access line count upon which it is based will apply to any competitive carrier designated as an ETC in the study area.
- (4) Additional requirements for self-certification of a disaggregation plan.

 Pursuant to 47 C.F.R. §54.315(d)(2), a rural ILEC's self-certified disaggregation plan must also include the following items in addition to those items required by paragraph (3) of this subsection:
 - (A) support for, and a description of, the rationale used, including methods and data relied upon, as well as a discussion of how the plan meets the requirements in paragraph (3) of this subsection and this paragraph;
 - (B) a reasonable relationship between the cost of providing service for each disaggregation zone within each disaggregation category of support proposed;
 - (C) a clearly specified per-line level of FUSF support for each category pursuant to 47 C.F.R. §54.315(d)(2)(iii);
 - (D) if the plan uses a benchmark, a detailed explanation of the benchmark and how it was determined that is generally consistent with how the level of

- support for each category of costs was derived so that competitive ETCs may compare the disaggregated costs for each cost zone proposed; and
- (E) maps identifying the boundaries of the disaggregated zones within the study area.
- (5) **Disaggregation upon commission order.** The commission on its own motion or upon the motion of an interested party may order a rural ILEC to disaggregate FUSF support under the following criteria:
 - (A) the commission determines that the public interest of the rural study area is best served by disaggregation of the rural ILEC's FUSF support;
 - (B) the commission establishes the appropriate disaggregated level of FUSF support for the rural ILEC; or
 - (C) changes in ownership or changes in state or federal regulation warrant the commission's action.
- (6) Effective dates of disaggregation plans. The effective date of a rural ILEC's disaggregation plan shall be as specified in 47 C.F.R. §54.315.

This agency hereby certifies that the adoption has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority. It is therefore ordered by the Public Utility Commission of Texas that §26.418 relating to Designation of Common Carriers as Eligible Telecommunications Carriers to Receive Federal Universal Service Funds, is hereby adopted with no changes to the text as proposed.

SIGNED AT AUSTIN, TEXAS on the 4 day of _____

PUBLIC UTILITY COMMISSION OF TEXAS

DONNA L. NELSON, CHAIRMAN

KENNETH W. ANDERSON, JR., COMMISSIONER

ROLANDO PABLOS, COMMISSIONER

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Exhibit C Study Areas

Study Area Code	Study Area Name	Study Area Code	Study Area Name
440425	CAMERON TEL CO TEXAS	442130	PEOPLES TEL COOP -TX
441163	WINDSTREAM SW-TX#1	442131	POKA-LAMBRO TEL COOP
442038	BLOSSOM TEL CO	442134	RIVIERA TEL CO INC
442039	BIG BEND TEL CO INC	442135	SOUTHWEST TEXAS TEL
442040	BRAZORIA TEL CO	442140	CENTURYTEL-SAN MARCO
442041	BRAZOS TEL COOP INC	442141	SANTA ROSA TEL COOP
442043	NORTH TEXAS TEL. CO.	442143	SOUTH PLAINS TEL
442046	CAP ROCK TEL COOP	442147	WINDSTREAM SUGARLAND
442052	CENTRAL TEXAS CO-OP	442150	TATUM TEL CO
442057	COLEMAN COUNTY CO-OP	442151	TAYLOR TEL CO-OP INC
442059	COLORADO VALLEY TEL	442153	TEXAS WINDSTREAM
442060	COMANCHE COUNTY TEL	442154	GTE-SW VERIZON-TX
442061	COMMUNITY TEL CO	442159	VALLEY TEL CO-OP -TX
442065	CUMBY TEL COOP INC	442166	WEST TEXAS RURAL TEL
442066	DELL TEL. CO-OP - TX	442168	WES-TEX TEL CO-OP
442068	EASTEX TEL COOP INC	442170	XIT RURAL TEL CO-OP
442069	ELECTRA TELEPHONE CO	442262	ENMR TEL COOP-TX
442070	ETEX TEL COOP INC	445216	SOUTHWESTERN BELL-TX
442071	FIVE AREA TEL CO-OP	448001	Texas 10, LLC
442072	CONSOLIDATED FT BEND	448002	Texas 10, LLC
442073	BORDER TO BORDER	448003	Texas 10, LLC
442076	GANADO TELEPHONE CO	448004	Texas 10, LLC
442080	GTE SW VERIZON-TX	448005	Texas 10, LLC
442083	GUADALUPE VALLEY TEL	448006	Texas 10, LLC
442084	UTC OF TEXAS INC	448007	Texas 10, LLC
442086	HILL COUNTRY CO-OP	448008	Texas 10, LLC
442090	ALENCO COMMUNICATION	448009	Texas 10, LLC
442091	ETS TEL. CO., INC.	448010	Texas 10, LLC
442093	INDUSTRY TEL CO	448011	Texas 10, LLC
442097	WINDSTREAM KERRVILLE	448012	Texas 10, LLC
442101	CENTURYTEL-LK DALLAS	448013	Texas 10, LLC
442103	LA WARD TEL EXCHANGE	448014	Texas 10, LLC
442104	LAKE LIVINGSTON TEL	448015	Texas 10, LLC
442105	LIPAN TEL CO	448016	Texas 10, LLC
442107	LIVINGSTON TEL CO	448017	Texas 10, LLC
442109	CONSOLIDATED COMM-TX	448018	Texas 10, LLC
442112	MID-PLAINS RURAL TEL	448019	Texas 10, LLC
442114	CENTEL OF TEXAS	448020	Texas 10, LLC
442116	MUENSTER DBA NORTEX	448021	Texas 10, LLC
442117	CENTURYTEL-PORT ARAN	448022	Texas 10, LLC

Study Area Code	Study Area Name	Study Area Code	Study Area Name
448023	Texas 10, LLC	449004	CUMBY TEL COOP INC
448024	Texas 10, LLC	449005	NORTEX TELCOM L.L.C.
448025	Texas 10, LLC	449006	SANTA ROSA TEL COOP
448026	Texas 10, LLC		MCIMETRO ACCESS TRANSMISSION SERVICES, INC.
448027	Texas 10, LLC	449007	
448028	Texas 10, LLC	140000	
448029	Texas 10, LLC	449008	NII COMMUNICATIONS, LTD.
448030	Texas 10, LLC	449009	FEC COMMUNICATIONS LLP
448031	Texas 10, LLC	449010	SAGE TELECOM OF TEXAS,
448032	Texas 10, LLC		L.P. LOGIX COMMUNICATIONS
448033	Texas 10, LLC	449011	CORPORATION
448034	Texas 10, LLC	449012	CUTTER COMMUNICATIONS
448035	Texas 10, LLC		INC VALOR
448036	Texas 10, LLC	449013	TELECOMMUNICATIONS OF
448037	Texas 10, LLC		TEXAS, LP
448038	Texas 10, LLC	449014	WESTEX TELECOM
448039	Texas 10, LLC		GRANDE COMMUNICATIONS
448040	Texas 10, LLC	449015	NETWORKS, INC.
448041	Texas 10, LLC	449016	NPCR, INC.
448042	Texas 10, LLC		·
448043	TexNet 4G, LLC	449017	SPRINT SPECTRUM, LP
448044	TexNet 4G, LLC	449018	CT CUBE LP
448045	TexNet 4G, LLC	449019	PANHANDLE TELECOMMUNICATION
448046	TexNet 4G, LLC		SYSTEMS, INC.
448047	TexNet 4G, LLC	449020	AMA COMMUNICATIONS, LLC
448048	TexNet 4G, LLC		VYCERA COMMUNICATIONS,
448049	TexNet 4G, LLC	449021	INC.
448050	TexNet 4G, LLC	449022	New Cingular Wireless PCS, LLC
448051	T-Mobile West LLC	449023	CEDAR VALLEY
448052	T-Mobile West LLC		COMMUNICATIONS, INC.
448053	T-Mobile West LLC	449024	NTS COMMUNICATIONS
448054	T-Mobile West LLC	449025	CONCHO CELLULAR TELEPHONE COMPANY, INC.
448055	T-Mobile West LLC	140026	
448056	T-Mobile West LLC	449026	MID-TEX CELLULAR LTD.
448057	T-Mobile West LLC	449027	SMARTCOM TELEPHONE LLC
449001	W. T. SERVICES, INC.	449028	VANTAGE SYSTEMS
449002	XIT TELECOMMUNICATION AND TECHNOLOGY, INC.	449029	CONNECT PAGING, INC., D/B/A GET A PHONE
449003	WESTERN WIRELESS	449030	DIALTONE SERVICES, LP

Study Area Code	Study Area Name	
449031	TEXAS RSA 1 LIMITED PARTNERSHIP	
449032	CAPROCK CELLULAR LIMITED PARTNERSHIP	
449033	VCI COMPANY	
449034	ALLTEL COMMUNICATIONS, INC.	
449035	XIT RURAL TELEPHONE COOPERATIVE WIRELESS	
449036	TEXAS RSA 8 SOUTH LIMITED PARTNERSHIP	
449037	PLATEAU TELECOMMUNICATIONS, INC.	
449038	NEXUS COMMUNICATIONS, INC.	
449039	CLEARTEL TELECOMMUNICATIONS	
449040	Telenational Communications	
449041	ETEX COMMUNICATIONS, LP DBA ETEX WIRELESS	
449042	STATE TELEPHONE COMPANY TEXAS	
449043	CGKC&H #2 RURAL LIMITED PARTNERSHIP	
449044	NSN WIRELESS, L.P.	
449045	TERRACOM INC.	
449046	CGKC&H #1 L. P. FIVE STAR WIRELESS	
449047	TALK NOW TELCO	
449048	Peoples Wireless Services	
449049	Matrix Business Tecnology	
449050	VTX Telecom, LP	
449051	DPI Teleconnect	
449052	NTS Telephone Co., LLC dba NTS of Levelland	
449053	USFon, Inc.	
449054	DPI Teleconnect, LLC	
449055	Worldcall Interconnect, Inc.	
449056	Quailty Telephone, Inc.	
449057	GTC Global Telecom, Inc.	
449058	TracFone Wireless, Inc.	
449059	SC TxLink, LLC	
449060	True Wireless, LLC	

Study Area Code	Study Area Name		
449061	Sprint Prpaid/Virgin Mobile		
449062	Texas Hearing and Telephone		
449063	Quality Telephone		
449064	TerraCom, Inc.		
449065	Cricket Communications, Inc		
449066	T-Mobile West Corporation		
449067	Texas 10, LLC		
449068	TexNet 4G, LLC		
449069	I-Wireless, LLC		
449070	Budget PrePay, Inc dba Budget Phone		
449071	Q Link Wireless		
449072	Total Call Mobile, Inc.		
449073	Global Connection of America		
449074	Boomerang Wireless dba EnTouch Wireless		
449075	TAG Mobile, LLC		
449076	Web Fire Communications, Inc.		
449077	Telrite Corporation dba Life Wireless		
449078	Guadalupe Valley Communications Systems, L.P.		
449079	Guadalupe Valley Communications Systems, LP		
449080	Nexus Communications dba Reachout Wireless		